

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7133

BILL NUMBER: SB 327

NOTE PREPARED: Apr 14, 2011

BILL AMENDED: Feb 7, 2011

SUBJECT: Dental Practice Matters.

FIRST AUTHOR: Sen. Mishler

FIRST SPONSOR: Rep. Crouch

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Inactive Dentist License*- The bill requires that the holder of an inactive dentist license meet competency standards determined by the State Board of Dentistry (SBOD) before obtaining an active license.

Dental Examination- The bill specifies that an entity approved by the SBOD is to conduct the examination of an applicant for a dentist or dental hygiene license.

Dental Exam Repeat Limit- The bill limits the number of times a dental license applicant may take any portion of the examination to three times. The bill allows the SBOD to require remediation before an applicant may take the examination for a third time.

Limited Residency and Faculty Permits- The bill eliminates the dental intern permit and establishes a limited dental residency permit and a limited dental faculty permit.

Instructor's License- The bill changes the percentage from 5% to 10% on the number of instructors that can teach full time at a dental school under an instructor's license and removes the 2013 expiration of the instructor's license.

Continuing Education- The bill requires that at least half of a dentist's continuing education hours during each license period be from a live presentation or live workshop.

Dentist Compliance Fund- The bill establishes a new fee collected upon application for the issuance or renewal of a dentist license, and provides for proceeds of the fee to be deposited in a fund for use in

administering and enforcing the law concerning dentists and dental hygienists.

Definition Change- The bill makes changes to definitions concerning sedation.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Inactive Dentist License-* With approximately 8,000 inactive licenses out of approximately 440,000 active licenses for all licensed professions (1.8%), this provision would likely minimally impact the time and resources of the Professional Licensing Agency (PLA). As of September 2010, the PLA reports no inactive dentist or dental hygienists licenses.

Testing Entity- Given that the SBOD already contracts out the dentist examination, state expenditures would be affected minimally by this provision.

Limited Residency and Faculty Permits- The impact of this provision would depend on the number of permits the SBOD would grant. The SBOD would likely have to adopt new rules for these permits, while repealing rules for existing dental intern permits. The SBOD may require an additional business meeting to adopt new rules. The SBOD would set the permit fee.

Dentist Compliance Fund- This provision would have an indeterminable impact on the expenditures of the PLA and the Attorney General (AG). The bill would allow the PLA and AG to establish a cooperation for investigation and enforcement of dental statute. Presumably, investigations and enforcement actions by the AG or SBOD would be limited to the amount of revenue available in the proposed Dentist Compliance Fund.

Explanation of State Revenues: *Testing Entity-* This provision would not reduce state revenues from dental licensing. The PLA has not collected testing fees from dental licensing candidates since 2006. Testing fees are assessed separately by the vendor from the applicant.

(Revised) *Instructor's License-* By eliminating the sunset date in current law of June 30, 2013, and increasing the percentage of licenses allowed, more individuals may apply for an instructor's license, which could increase fee revenues to the state General Fund. However, any revenue increase is likely to be small. The current fee for an initial instructor's license is \$250 and the renewal fee is \$50. There were five dental instructor licenses active on September 15, 2010. Under current law, an instructor's license is valid only during the time the licensee is employed or has a valid employment contract in a full-time faculty position at the Indiana University School of Dentistry (IUSOD) or an affiliated medical center.

Limited Faculty Permits- This provision would have an indeterminable but likely negligible impact on net state revenues. The amount of revenue generated would depend on the fees set and the number of limited faculty permits granted by the SBOD. The amount of revenue loss from the existing intern permit would be minimal.

Dentist Compliance Fund- Dentists and dental hygienists would have to pay an additional \$20 upon application for or renewal of their license. This revenue would be deposited into the proposed Dental Compliance Fund. For the past five years, there has been, on average, about 8,000 dentists and hygienists licensed. Applied over a two-year period, the potential revenue a \$20 fee could generate in a given biennial licensing cycle is estimated at [8,000 * \$20 = \$160,000]. The estimate assumes the current level of growth in dental licensing continues.

The Compliance Fund could also receive revenue from fines and civil penalties assessed as permitted by the bill and current law. The maximum civil penalty would be \$1,000 per each violation of dental law.

Background Information- Dentist and Dental Hygienists- FY 2009 licensing fees for dentists and hygienists generated \$94,962. In FY 2008, the fees generated \$693,176, for a combined total of \$788,138 over the two-year cycle FY 2008 - FY 2009.

The following table illustrates a five-year history of active dentist and dental hygienist licenses. The table also shows the annual change in licenses per year. The annual change represents the number of dentists or hygienists applying for licensure in Indiana for the first time net of the number of licensed dental professionals allowing their license to lapse due to retirement or other circumstances.

Table A. Dentist and Hygienist Licenses		
Year	Number of Active Licenses (Dentists plus Hygienists)	Annual Change in Active License Count*
2010	8,323	15
2009	8,308	345
2008	7,963	17
2007	7,946	400
2006	7,546	
Average	8,017	
*Example 2006-2007, 2007-2008, etc.		

Intern Permits- There were 18 new dentist intern permits and one new hygienist intern permit granted during CY 2009. The revenue generated from these new intern permits during 2009 is estimated at \$1,850. The following table illustrates the number of active intern permits over the past five years.

Table B. Intern Permits Issued	
Date	Number of Intern Permits
9/15/2010	24
12/3/2009	25
12/15/2008	26
10/29/2007	25
12/15/2006	30
Five-Year Average	26

Exams- Dental license examinations are conducted by the North East Regional Board of Dental Examiners Inc. Exams for dentists are \$1,870 (traditional) and \$1,985 (CIF). Retake fees are \$935 (traditional) and \$990 (CIF) per day.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Board of Dentistry, Professional Licensing Agency, Attorney General.

Local Agencies Affected:

Information Sources: Professional Licensing Agency; North East Regional Board of Dental Examiners Inc.

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